Nova Scotia

ANNUAL REPORT

*for the fiscal year*
*ending March 31, 1988*

# Department of Development

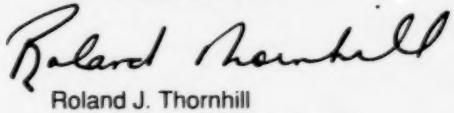
His Honour The Honourable Lloyd R. Crouse, P.C.
Lieutenant-Governor
Province of Nova Scotia

May it please your Honour:

It is my privilege to submit the report of the Department of Development for the Province of Nova Scotia for the fiscal year ending March 31, 1988.

I have the honour to be, Sir,

Your obedient servant



Roland J. Thornhill
Department of Development

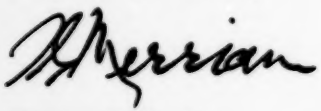
91-06562/

Honourable Roland J. Thornhill
Minister of Development
Halifax, Nova Scotia

Sir

I take pleasure in submitting the Annual Report of the Department of Development for the fiscal period ending March 1, 1988.

Respectfully submitted,



Thomas G. Merriam
Deputy Minister

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## SUMMARY REVIEW

### ECONOMIC PERFORMANCE

Nova Scotia's gross domestic product increased by 7.0 per cent for the calendar year 1987, to reach $12.4 billion, compared with the overall Canadian increase of 9.2 per cent for the same period. Population increased 0.5 per cent and total labor force exhibited a 1.8 per cent increase. A 2.6 per cent growth was shown in employment, resulting in a 3.9 per cent decrease in the number of persons who were unemployed. The provincial unemployment rate averaged 12.3 per cent for the year, compared to 13.9 per cent for the Atlantic Provinces and 8.8 per cent for Canada.

An increase of only 3.6 per cent in the Halifax Consumer Price Index was a major factor in the strong growth in real personal income. Total personal income rose by 8.1 per cent, while per capita income increased by 7.5 per cent to reach 83.3 per cent of the Canadian average in 1987. Average weekly wages and salaries increased 3.4 per cent, with the provincial figure remaining above 90 per cent of the Canadian average. Retail trade in Nova Scotia experienced a growth of 8.9 per cent, compared with 9.8 per cent for the nation.

The decline of 4.4 per cent in capital investment was attributed to decreases in the government, utilities and housing sectors. Provincial housing starts in 1987 numbered 6,460 units, down nearly 15 per cent from the record level of activity attained in 1986.

The fishing industry in the province had a strong performance with a gain of 25.2 per cent in the value of fish landings. Farm cash receipts rose by 9.5 per cent; the diversity of this sector kept its performance well above the national level. Activity in the forestry sector was highlighted by a 33.8 per cent increase in pulpwood production. Coal production was off by 1 per cent.

Value of Nova Scotia exports to foreign countries continued a strong growth trend, showing an increase of 7.3 per cent over 1986 exports. The value of manufacturing shipments, however, experienced an increase of only 2.6 per cent as compared to a 7.4 per cent increase for Canadian shipments. The major contributing factor to Nova Scotia's decrease was a 24 per cent decline in the value of transportation equipment and a lower value of shipments from oil refineries, due to lower oil and gas prices.

## NOVA SCOTIA ECONOMY

| | 1987 | % Change 1986-87 |
|---|---|---|
| **Gross Domestic Product ($ million) (at Factor Cost)** | | |
| Nova Scotia | 12,385 | 7.0 |
| Canada | 492,527 | 9.2 |
| **Population and Labor Force ('000)** | | |
| Population | 878 | 0.5 |
| Labor force | 399 | 1.8 |
| Employment | 350 | 2.6 |
| Unemployment | 49 | -3.9 |
| **Unemployment Rate (per cent)** | 12.3 | -6.1 |
| Consumer Price Index (1981 = 100) | | |
| Halifax | 136.4 | 3.6 |
| Canada | 138.2 | 4.4 |
| **Income and Wages** | | |
| Personal income, total ($ million) | 13,258 | 8.1 |
| Personal income per capita ($) | 15,100 | 7.5 |
| Nova Scotia income per capita as a percentage of Canadian income per capita | 83.3 | -0.2 |
| Average weekly wage ($) | 400 | 3.4 |
| Nova Scotia average weekly wage as a percentage of Canadian average weekly wage | 90.4 | 0.2 |
| **Retail Sales ($ million)** | | |
| Nova Scotia | 5,225 | 8.9 |
| Canada | 153,733 | 9.8 |
| **Investment and Housing** | | |
| Capital investment ($ million) | | |
| Nova Scotia | 2,727 | -4.4 |
| Canada | 109,162 | 12.4 |
| Housing starts (units) | | |
| Nova Scotia | 6,460 | -14.7 |
| Canada | 245,986 | 23.1 |

| | | |
|---|---|---|
| **Output** | | |
| Fish landings ($'000) | 510,600 | 25.2 |
| Farm cash receipts ($'000) | 296,900 | 9.5 |
| Pulpwood production ('000$m^3$) | 3,306 | 33.8 |
| Lumber production (m. fbm) | 209,900 | 2.0 |
| Coal production ('000 tonnes) | 2,930 | -0.8 |
| Manufacturing shipments ($ million) | | |
| Nova Scotia | 4,766 | 2.6 |
| Canada | 272,037 | 7.4 |
| **Trade** | | |
| Value of exports to foreign countries ($ million) | | |
| Nova Scotia | 2,055 | 7.3 |
| Canada | 121,462 | 4.1 |

SOURCE: Statistics Canada, Conference Board of Canada, Fisheries and Oceans, Canada and Nova Scotia Forest Products Directory

## A HISTORY OF THE DEPARTMENT

1908 The Government of Nova Scotia established the **Department of Industries and Immigration**, marking the first time in Nova Scotia that a provincial department was formally organized to engage in ongoing development projects.

1925 Three provincial departments, Industries and Immigration, Agriculture, and Public Health, were merged to form the **Department of Natural Resources**.

1939 For the better part of this decade the only agency active in the area of development was the Economic Council of Nova Scotia, until the creation of the **Department of Industry** with a staff of six employees.

1941 Within a short time the Bureau of Information was acquired and the Department of Industry became the **Department of Industry and Publicity**.

1948 The creation of the **Department of Trade and Industry** resulted from an increased emphasis on the provision of marketing and a more active involvement in trade.

1971 The importance and necessity of emphasizing industrial development, and of expanding provincial markets, prompted the establishment of the **Department of Development**.

1987 As the 1990s approach and the technology age shifts into high gear, the designation Department of Development has given way to a more suitably defined name, **Department of Industry, Trade and Technology**, with increasing emphasis on technological and scientific developments, industrial innovation, and a broadening definition of trade.

## DEPARTMENTAL REORGANIZATION

On November 24, 1987 the Nova Scotia Department of Development and its agencies were reorganized into two separate departments: Industry, Trade and Technology, and Small Business Development (the latter includes the Business Capital Corporation). This final annual report of the Department of Development includes the activities of the newly formed departments for the period to March 31, 1988.

Under reorganization, **The Department of Industry, Trade and Technology** was given the following responsibilities:

- technology development
- trade development
- attracting investment
- industrial benefits
- negotiating federal/provincial agreements
- policy and planning for economic development
- statistics and research
- co-operative services

From November 1987 until the end of March 1988 the new department operated under the four division names—Policy and Planning, Business and Technical Services, Industrial Development, and Finance and Administration—but, in essence, was in a state of transition to a three-divisional set-up.

The newly formed **Economic Planning and Technology Division** replaces the division previously known as Policy and Planning. An amalgamation of the two branches, Policy Development and Program and Evaluation, produced the Policy and Programs branch. Additionally, the Technology and Industrial Innovation Branch (formerly Ocean Industries Innovation Centre under the now discontinued Business and Technical Services Division) has been placed with the new division and will be the operational focus of the department's technology-related programming.

The **Industrial Development Division** remains structured as it was previously, with the exception that the Market Development Centre is now named the Trade Development Centre to more accurately reflect its enhanced role related to a broadening definition of trade.

The **Finance and Administration Division** responsibilities have been expanded to include the Technical Services Branch, the Co-operatives Branch and Business Advisory Services. Additionally, the Business Advisory Services Branch has been expanded to include responsibility for the duties performed by the Senior Benefit Analyst and his subordinate. This change will provide important mutual benefits and support. The Business Capital Corporation, Voluntary Planning Board, and Small Business Development Corporation, which had been reporting to this division administratively, will now carry on their functions with the newly established Department of Small Business Development.

The **Department of Small Business Development** was given the following responsibilities:

- programs and services related to Small Business Development
- job creation programs
- community development programs
- Voluntary Planning
- Small Business Development Corportation

The **Business Capital Corporation** combined the activities of:

- Industrial Estates Ltd.
- Venture Corporations Board
- Nova Scotia Resources Development Board

The corporation reports administratively to the Department of Small Business Development.

***Throughout this document, reorganizational changes to the activities and structure of the Department of Development are indicated in boldface type.***

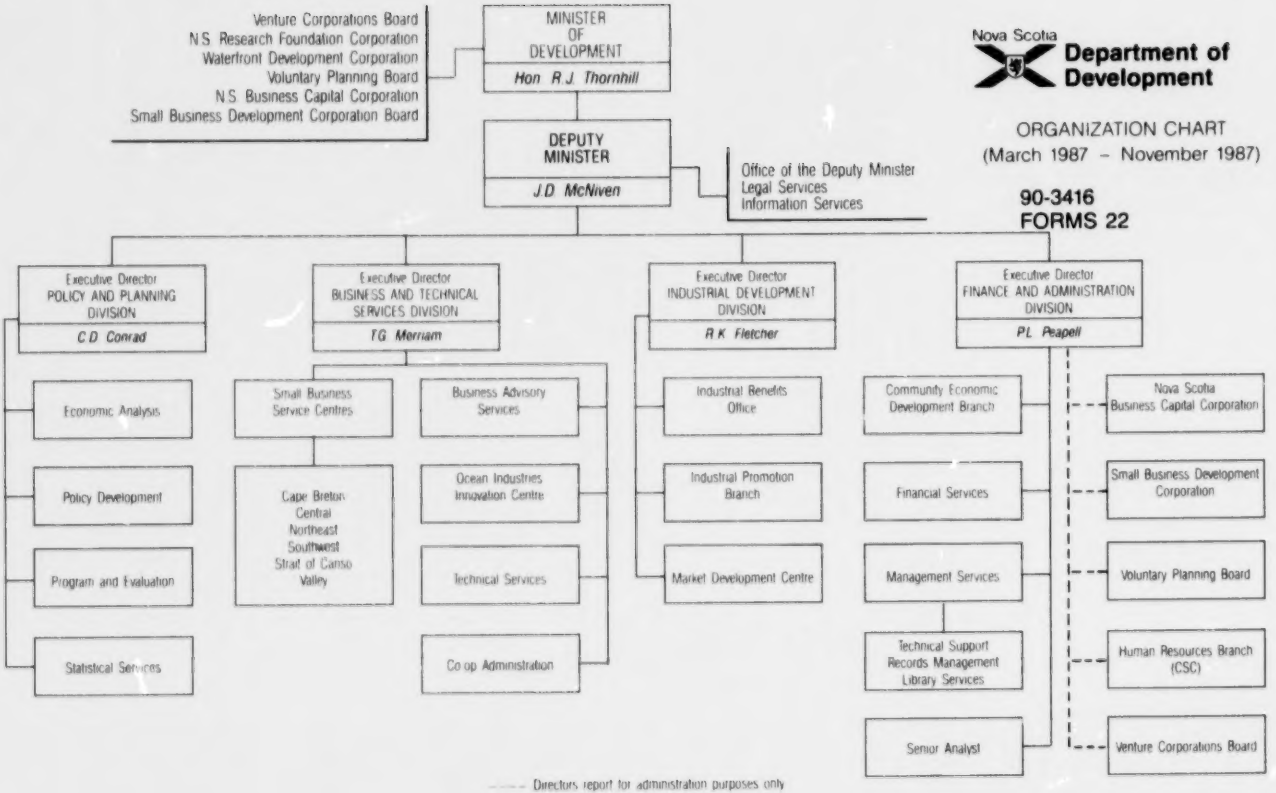
The three organization charts that follow indicate the Department of Development as it existed from March 1987 to November 1987 and the new Departments of Industry, Trade and Technology and of Small Business Development.

Nova Scotia

# Department of Development

ORGANIZATION CHART
(March 1987 – November 1987)

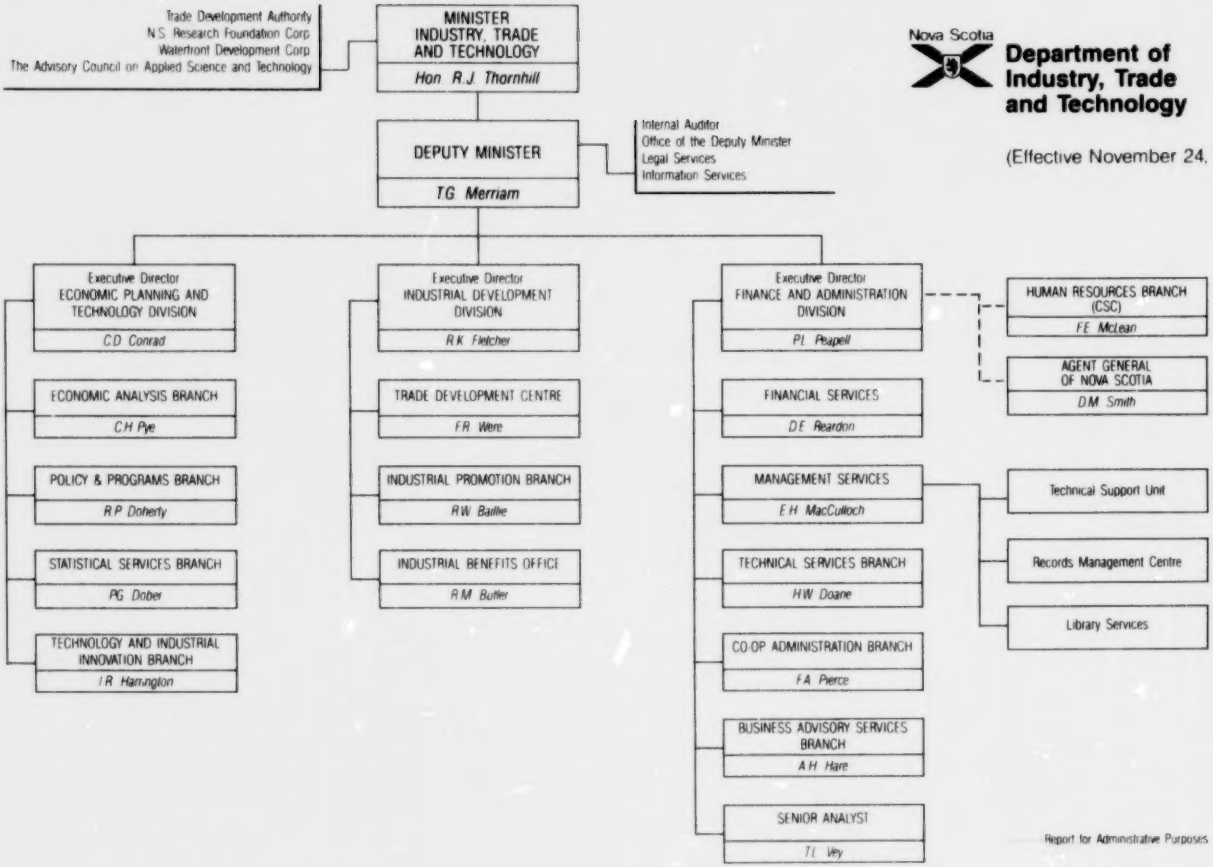
**90-3416**
**FORMS 22**



Nova Scotia

# Department of Industry, Trade and Technology

(Effective November 24, 1987)

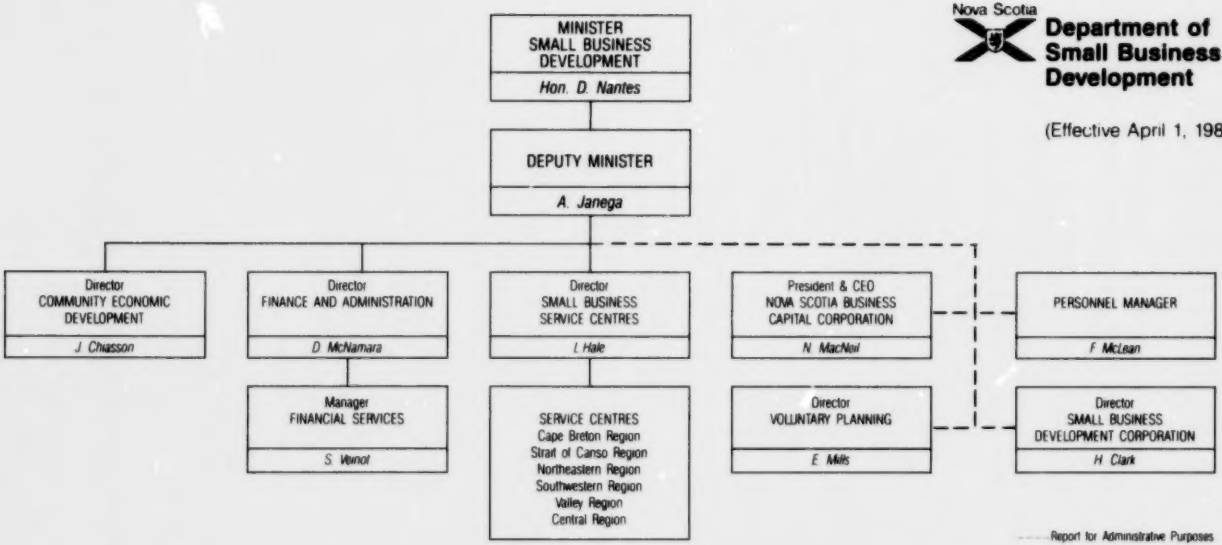



Report for Administrative Purposes

Nova Scotia

# Department of Small Business Development

(Effective April 1, 1988)



## OFFICE OF THE MINISTER

The Minister of Development was Cabinet spokesman on matters relating to economic development policies and sat on a number of Cabinet and House committees.

The Minister was responsible to Cabinet for the activities of the Department of Development as well as for:

- Industrial Estates Limited
- Nova Scotia Research Foundation Corporation
- Nova Scotia Resources Development Board
- Small Business Development Corporation
- Sydney Steel Corporation
- Venture Corporations Board
- Voluntary Planning Board of Nova Scotia
- Waterfront Development Corporation
- World Trade and Convention Centre
- Trade Development Authority
- Co-operatives Administration

## MINISTER OF INDUSTRY, TRADE AND TECHNOLOGY

The Minister of Industry, Trade and Technology is Cabinet spokesman on matters of economic development polcies and sits on a number of Cabinet and House committees.

The Minister is responsible to Cabinet for the activities of the Department of Industry, Trade and Technology and for:

- Sydney Steel Corporation
- Council on Applied Science and Technology
- Trade Development Authority
- Nova Scotia Research Foundation Corporation
- World Trade and Convention Centre
- Co-operatives Administration
- Waterfront Development Corporation

## MINISTER OF SMALL BUSINESS DEVELOPMENT

The Minister of Small Business Development assumed the responsibilities for small business development and:

- the Business Capital Corporation (formerly Industrial Estates Limited, Nova Scotia Resources Development Board, and the Venture Corporations Board)
- Small Business Development Corporation
- Voluntary Planning Board of Nova Scotia
- Community Economic Development
- Small Business Service Centres

**OFFICE OF THE DEPUTY MINISTER**

The Deputy Minister is responsible for the day-to-day operations of the Department of Development. The Deputy Minister is responsible to the Minister for the proper interpretation and effective implementation of government policies and programs relating to economic development in the province and is also responsible for the formulation of policy options, for the conduct of negotiations under the Economic and Regional Development Agreement (ERDA) between Canada and Nova Scotia, and for major development initiatives.

**Under reorganization the Deputy Minister of Industry, Trade and Technology retains these responsibilities and in addition reports to the Minister on matters of trade and technology programs and developments in the province.**

**Under reorganization the Deputy Minister of Small Business Development is responsible to the Minister of Small Business Development for the proper interpretation and effective implementation of government policies and programs relating to the small business sector.**

Reporting directly to the Deputy Minister of Industry, Trade and Technology are the following three offices.

**Legal Services**

The Legal Services Office provides comprehensive legal services to Department of Development. The Solicitor gives day-to-day problem-solving assistance, services all requests for Cabinet authorization, sets security requirements for all loans and drafts, and negotiates all agreements in support of loans between the departments and third parties.

**The Legal Services Office provides these services to both of the newly formed Departments of Industry, Trade and Technology and Small Business Development.**

**Information Services**

The Information Office coordinates media relations and publicity requirements for the Department of Development. The office is responsible for:

- the production and editing of departmental publications;
- liaison with federal, provincial, and municipal departments on joint information projects;
- supervision of departmental advertising.

**Internal Auditor**

The Internal Auditor is accountable for providing the Deputy Minister and senior management with an ongoing appraisal of the financial activities and the verification that all aspects of the Department are being performed as stipulated in its policies and procedures.

## BUSINESS AND TECHNICAL SERVICES DIVISION

The Business and Technical Services Division was comprised of four branches primarily responsible for business development. The division offered management and technical advice and services, coordinated the work of 11 Small Business Service Centres, administered a variety of programs designed to assist Nova Scotia businesses, and implemented federal/provincial subsidiary agreements. Prior to December 1987 the division consisted of Business Advisory Services, Ocean Industries Innovation Centre, Technical Services, Co-operatives Branch, and the Small Business Service Centres.

### BUSINESS ADVISORY SERVICES BRANCH

The Business Advisory Services branch assists industry by providing consulting advice relating to specific existing or potential business problems. As well, the branch acts as a specialist advisor in this department and to other departments and agencies.

### TECHNOLOGY AND INDUSTRIAL INNOVATION BRANCH

**The reorganization of the Department of Development in December 1987 included the formation of the Technology and Industrial Innovation Branch, which supplants the Ocean Industries Innovation Centre. The branch is primarily responsible for the management of the federal/provincial Technology Transfer and Industrial Innovation Subsidiary Agreement and the delivery and administration of the various programs included in that agreement, in particular the Technology Advancement Program, the Technology Collaboration Program, and the Planning Opportunities Research and Promotion Component. This branch also administers the Ocean Industries Agreement and the Small Business Technology Centre.**

#### Technology Advancement Program

Under the Canada/Nova Scotia Technology Transfer and Industrial Innovation Agreement, the Technology Transfer Program (TTP) provides funding to assist Nova Scotia business to acquire more advanced equipment or services that will improve their efficiency and competitiveness and provide greater opportunity to develop and produce high technology goods and services.

### Technology Collaboration Program

Under the Canada/Nova Scotia Technology Transfer and Industrial Innovation Agreement, the Technology Collaboration Program provides assistance for projects that promote a flow of technology between the province's research institutions and local business. The program aids in transferring scientific and engineering expertise to the private sector by supporting joint projects, student and graduate hiring, and infrastructure to promote technology transfer opportunities.

### Planning Opportunities Research and Promotion Component

The agreement's Planning Opportunities Research and Promotion Component is intended to promote technological development in the province by: (a) funding studies and other related development opportunities that are supportive of the industrial and commercial development activities necessary to increase technological capabilities found within the province and (b) providing contributions for a variety of measures to promote awareness, by the public at large and by business owners in particular, of the importance of advanced technologies and their impact on productivity improvement.

## OCEAN INDUSTRIES INNOVATION CENTRE

The Ocean Industries Innovation Centre gives assistance and support to owners/operators of small businesses attempting to establish or expand in innovative or high-tech fields related to ocean industries. The centre is responsible for the administration of three programs: Innovation Centre Program, Municipal Taxation Assistance Program, and Regional Management Training Program. (These programs will cease operation in April 1988.)

## SMALL BUSINESS TECHNOLOGY CENTRE

The Small Business Technology Centre, Nova Scotia's only full service incubator facility for small to medium technology-related businesses, was officially opened on September ?, 1987. The centre was built with funds provided by the federal and provincial governments, under the Ocean Industry Development Subsidiary Agreement.

As a major component in the plan to foster innovation and high technology in Nova Scotia, the SBTC is, as of March 1988, home to 14 technology-related companies. These companies are involved in activi-

ties as diverse as the manufacturing of offshore survival suits and the development and manufacturing of thermal instrumentated mannequins, to a test laboratory that evaluates the various components of crude oil.

## TECHNICAL SERVICES BRANCH

The Technical Services Branch gives technical assistance and advice to both government and private industry. This branch implements many of the federal/provincial cost-shared agreements and the Canada/Nova Scotia Offshore Development Fund. Technical Services assists with the planning, design, and implementation of a wide range of projects including industrial parks and malls, recreation facilities, marine facilities, and municipal infrastructure.

**This branch is now part of the Department of Industry, Trade and Technology. Responsibility for assistance to municipal infrastructure, including industrial parks and malls, has moved to the Department of Small Business Development.**

The Technical Services Branch provides "in-house" planning, engineering, and construction services within the Department. Some of the varied programs and projects handled in the past fiscal year were as follows:

- administration of the $200-million Canada/Nova Scotia Offshore Development Fund;
- planning of marine industrial developments, such as Sheet Harbour Marine Industrial Park, Pictou assembly area, and several facilities under the shipyard assistance program;
- construction and maintenance of numerous marine haulout facilities for the inshore fishery and for recreational use;
- technical assistance to a number of industrial development commissions and the Waterfront Development Corporation;
- planning and implementation of various recreational/tourism facilities such as restoration of the Shubenacadie Canal system.

## SMALL BUSINESS SERVICE CENTRES

The 11 Small Business Service Centres located throughout the province provide the business community and organizations and potential entrepreneurs with management advice pertaining generally to the establishment, operation, and expansion of small business. The Small Business Service Centres delivered programs and services of the Department of Development as well as those from other governments.

The Small Business Service Centres administer the following business development programs:

- Assistance to Industrial Commissions
- Black Business Opportunity Program
- Consulting Assistance Program
- Disabled Entrepreneurs' Program
- Industrial Mall Municipal Tax Rebate Program
- Rural Industry Program
- Women Entrepreneurial Development Program

**Assistance to Industrial Commissions Program**

The Assistance to Industrial Commissions Program encouraged local participation in the industrial and commercial development process by cost-sharing 50 per cent of eligible administrative and promotions expenses with municipalities.

**Black Business Opportunity Program (BBOP)**

The Black Business Opportunity Program (BBOP) gave black business people access to capital acquisition and working capital funds, along with funds for educational purposes, to provide the stimulus required to create and maintain jobs in black businesses. The program was also aimed at bringing members of the black business community into the mainstream of economic activity in Nova Scotia.

**Consulting Assistance Program (CAP)**

The Consulting Assistance Program (CAP) allowed eligible small businesses to benefit from the professional advice available through management consultants, accountants, technical people, and experienced business people to solve one-of-a-kind problems.

**Disabled Entrepreneurs Assistance Program (DEAP)**

The Disabled Entrepreneurs Assistance Program (DEAP) provided combined grant/loan guarantee assistance to disabled persons for establishing, expanding or modernizing local business.

**Industrial Mall Municipal Tax Rebate Program**

The Industrial Mall Municipal Tax Rebate Program encouraged and

assisted the start-up of new manufacturing and processing enterprises by giving tax rlief to tenants in incubator malls.

**Rural Industry Program (RIP)**

The Rural Industry Program (RIP) provided grants to assist Nova Scotians outside the Halifax-Dartmouth metro area with new capital costs relating to the establishment, expansion or modernization of manufacturing, processing, or selected service business operations. Eligible capital costs include land, buildings, machinery, and equipment.

**Women's Entrepreneurial Development Program**

The Women's Entrepreneurial Development Program (WEDP) provided an opportunity for women in business to further develop their entrepreneurial and technical skills in the planning, marketing, and operational aspects of business.

**With reorganization the Small Business Service Centres have become the responsibility of the Department of Small Business Development, along with the administration of the associated business development programs.**

**CO-OPERATIVES BRANCH**

The Co-operatives Branch provides incorporation, registration, advisory services, examinations, development resources, and coordinating services to this sector.

More than 200,000 Nova Scotians are members of one or more of the province's 375 co-operatives. With total economic activity of about $1.5 billion annually, total assets of over $1 billion, and approximately 10,000 employees, this sector is a significant economic force in the province.

Twenty-six co-operatives were incorporated in 1988 and all co-operatives experienced a net increase of over $100 million.

There are over 100 housing co-operatives, 50 retail stores, 54 worker (employee-owned), 30 agricultural, 12 fish marketing, 18 forestry-related, and over 100 credit unions operating in the province, many of which provide critical goods and services to over 70 rural communities.

## INDUSTRIAL DEVELOPMENT DIVISION

The Industrial Development Division of the Department of Development promotes industrial growth by seeking out appropriate industries to locate in the province, by encouraging the competitiveness and capabilities of Nova Scotia firms, and by helping Nova Scotia companies develop new products and establish new markets. The division is comprised of three branches: Industrial Promotion, Industrial Benefits, and the Market Development Centre.

### INDUSTRIAL PROMOTION BRANCH

The Industrial Promotion Branch actively promotes Nova Scotia as a location for new business development. The branch focuses on those manufacturing and service industries outside the province that will complement existing industrial activity.

More than 800 selected firms were identified and contacted in 1987-88. Detailed investigations resulted in approximately 150 companies visiting Nova Scotia for serious development discussions. Fourteen new investment projects received approval. This activity will result in the creation of an estimated 700 new jobs. Some of the promotional programs are outlined below.

#### Cape Breton Co-Ordinating Committee

Department of Development staff, as members of the Cape Breton Co-ordinating Committee, assessed applications for financing new industry in Cape Breton.

#### Award-Winning Promotional Brochure

The new brochure, *A Step Ahead of Today*, won the Best of Category award at the 1987 Industrial Developers Association of Canada Annual Conference. This brochure was initially distributed to over 600 selected companies/agencies including international banking operations, Canadian consulates, foreign representatives, investment counsellors, consultants, government departments/agencies, and trade associations.

#### Entrepreneur Immigration Program

The federal government's Entrepreneur Immigration Program provides the impetus to encourage foreign entrepreneurs and investors to seek

Canadian landed immigrant status for the purpose of establishing, purchasing, or investing in a Canadian business venture. In this fiscal year, there were 32 entrepreneurial cases and two investor categories approved.

### Trade Shows and Missions

Staff attended numerous trade shows and missions to complement promotional strategies. Events such as Opportunities Canada, the Defence Industry Conference, the Canadian Space Technology Show, the Industrial Development Research Council, and the Air Industries Conference promoted contact with several hundred key people involved in investment decisions.

## INDUSTRIAL BENEFITS OFFICE

The Industrial Benefits Office monitors domestic and foreign plans for major capital expenditures in Nova Scotia to identify significant business opportunities for Nova Scotia companies, and to increase marketing and investment opportunities resulting from major public and private sector capital projects, programs, and procurement activity. IBO is responsible for the implementation of the Nova Scotia Public Sector Purchasing Policy.

The Industrial Benefits Office maintains regular contact with a variety of Nova Scotia firms and organizations to provide information on supplier opportunities resulting from public sector purchasing, private investment, and major projects. In 1988, activities included identifying and monitoring benefits related to the New Brunswick/Prince Edward Island fixed crossing link, the Sysco modernization, Nova Scotia Power Corporation's Trenton #6 generating station, Litton and Pratt and Whitney manufacturing plant investments, and oil and gas exploration projects by Mobil Oil, Texaco, and Petro-Canada.

Offset purchase agreements were concluded and monitored under the Nova Scotia Government Purchasing Policy with CGE, Seimens, and Philips.

Information seminars for Nova Scotia businesses were held on Radarsat, as well as with Krauss Maffei, Aerospatiale/Canadair, and Spar Aerospace. Incoming trade missions from Indonesia, Norway, Austria, and Thailand were hosted.

Industrial Benefits Office officials were actively involved in national meetings to reduce interprovincial trade barriers and to identify future investment opportunities including the medical devices and health services sector.

## MARKET DEVELOPMENT CENTRE

The Market Development Centre encourages the production and sale of Nova Scotia products through two programs: the Product Development Program, which helps Nova Scotia companies develop new products, and the Trade Expansion Program, which helps Nova Scotia companies sell goods and services domestically and nationally through promotion, trade missions, and market planning studies.

Market Development Centre projects included: Trade Development Authority liaison; U.S. Navy purchasing promotion; *Bluenose II* promotion to Boston; Export Achievement Awards; U.S. Navy League Conference; business mission to Europe; and the Foundation of the Moroccan Trade Council.

### Trade Expansion Program (TEP)

The Trade Expansion Program (TEP) offered grants to assist Nova Scotia firms to attend fairs and exhibitions, conduct market identification investigations, attend market education courses, and host incoming buyers.

In the 1987-88 fiscal year, TEP assisted 136 companies under the trade fair section of the program, aided five incoming buyer projects, and provided help to 16 tourism operators (see table, page 51).

### Product Development Program (PDP)

The Product Development Program (PDP) encouraged and assisted manufacturers to develop innovative products by providing grant assistance to Nova Scotia industries for product design, packaging, and market literature design. Of the 48 projects approved during the past fiscal year, 6 involved the development of new products, 7 concerned new packaging, and 35 assisted in the development of new export marketing literature (see table, page 51).

### Trade Inquiries

The Department of Development received approximately 8 to 12 trade inquiries each month during 1987–88 fiscal year. The inquiries ranged from questions on marketing statistics to requests for information on packaging requirements and shipping.

### Special Trade Projects

One of the special projects taking place during the past year was the Offshore Trade Association of Nova Scotia's mission to Scotland and Northern England. Association members participating included Dominion Diving, HDIL, Foulis Group, Lunenburg Foundry, Robb Engineering, Main Group, and ABCO.

Staff provided ongoing assistance to the committee on Tri-Regional Economic Cooperation and participated on the Board of Directors of the Atlantic Canada/New England Business Council to expand trade links with New England.

## TRADE DEVELOPMENT AUTHORITY (TDA)

In 1987-88 the Trade Development Authority, under the tutelage of the Minister of Development, appointed the Nova Scotia Trade Council, as was prescribed by TDA legislation. This private sector council, chaired by the late Walter Grant, devoted most of its efforts to reviewing and providing feedback on The Nova Scotia Trade Strategy. This document, prepared by department staff in partnership with TDA Officials Committee, formed a blueprint for the province in pursuing the goal of trade expansion.

Other highlights of the year include consultation with line departments and policy decisions regarding provincial participation in trade shows and missions and the coordination of these events. Regular consultations were held between the TDA and the main air carriers (Air Canada and Canadian Airlines) with the aim of improving our trade infrastructure.

## POLICY AND PLANNING DIVISION

The Policy and Planning Division negotiates development agreements with the federal government, develops the province's positions and policies on major economic issues, assesses Nova Scotia's development activity and economic performance, and acts as a focal point for provincial statistics. The division is comprised of the following four branches: Program and Evaluation, Policy Development, Economic Analysis, and Statistical Services.

## PROGRAM AND EVALUATION BRANCH

The Program and Evaluation Branch negotiates development agreements with the federal government. The branch also assesses both federal and other provincial government activities for potential relevance to the needs of Nova Scotia. Program and Evaluation designs new, and evaluates existing department programs. It also provides advisory and research support for the province in major international trade negotiations.

### Federal/Provincial Subsidiary Agreements

Under the Canada/Nova Scotia Economic and Regional Development Agreement (ERDA) of 1984, nine subsidiary agreements have been signed by the federal government and the province, for a total financial commitment exceeding $320 million.

The $31.1-million Advanced Manufacturing Support Agreement, which set up the Aerotech Park and Automated Manufacturing Technology Centre at the Nova Scotia Institute of Technology, terminated on March 31, 1988.

The $35-million Ocean Industries Agreement is due to expire July 31, 1988. This agreement actively assisted (through the Innovation Centre) numerous technology transfer, research and development, and business planning activities throughout the province.

In addition to the two terminating agreements described above, the Department of Development actively participated in implementing the following subsidiary agreements during the past fiscal year:

*Technology Transfer and Industrial Innovation Subsidiary Agreement*

The Technology Transfer and Industrial Innovation Subsidiary Agree-

ment, signed in July 1985 for $34 million, is cost-shared 70 per cent federally and 30 per cent provincially. The purpose of the agreement is to stimulate the transfer of advanced technologies to small and medium-sized businesses and to strengthen engineering and scientific expertise in the province.

During 1987-88 major contributions were made to Dominion Biologicals; to an office automation centre set up jointly by Maritime Telephone and Telegraph and Mount Saint Vincent University; to Nova Crystals; and to the College of Geological Sciences for equipment upgrading in cooperation with TYDAC Inc.

*Sydney Steel Corporation Stage II Modernization Agreement*

The Sydney Steel Corporation Stage II Modernization Subsidiary Agreement, signed in February 1986 for $157 million, is cost-shared 70 per cent federally and 30 per cent provincially. The agreement provides for the installation of the electric-arc furnace method of steel-making, as well as other plant improvements to enhance product quality, productivity, and efficiency, and to reduce operation costs.

The turn-key contract with Tippins Incorporated of Pittsburg for the modernization project was initiated in July 1987, and major equipment was ordered including the caster and the electric arc furnace. Completion is expected by late summer of 1989.

*Economic Development Planning Subsidiary Agreement*

Department staff continued to administer and coordinaate the Economic Development Planning Subsidiary Agreement, which is cost-shared equally by the federal government and the province. Studies completed with the support of the agreement include: the communication/information sector study; site inventory and analysis of Aerotech Park; Business Plan for the proposed harness racing facility; evaluation of the environmental economic sector; miniature village feasibility study; Nova Scotia consulting engineers industrial development plan; and the Cape Breton turnout manufacturing plan.

Many of these studies were carried out in cooperation with other provincial departments, others supported private sector initiatives. Additionally, assistance was provided to publication of the *Nova Scotia Capital Investment* brochure; *Atlantic Canada Today*; and the *United Business Yearbook*.

A further 20 studies, covering a broad range of economic and regional development interests in keeping with the objectives of the ERDA, are currently on-going.

*Strait of Canso Subsidiary Agreement*

The latest Strait of Canso Subsidiary Agreement began in September 1984. The last fiscal year was a productive period for the Strait of Canso Industrial Development Authority (SCIDA).

As of March 1988, project proposals totalling $4.6 million had been identified for approval through Program Two (Small Projects Assistance) of the agreement. The largest project was Gasco followed by the Mulgrave Industrial Building, Brierley Brook Highway, and the North Bay Fishermen's Co-op. The Port Hawkesbury Industrial Building was also completed during the year. Under Program Three (Heavy Industry Location) the Bear Head road for Nova Scotia Power was begun.

*Ocean Industries Subsidiary Agreement*

Under the Ocean Industries Subsidiary Agreement, the Ocean Industries Innovation Centre offered financial assistance to 53 projects. Of these projects, 31 were completed during the fiscal year, 16 will continue into the new year, and 6 did not proceed. Innovation Centre Program projects fell into these broad categories: research and development of products, services and markets; management and employee development; business planning; and technology transfer (see table, page 33).

Through the Municipal Assistance Program administered by the Innovation Centre, ocean industry firms could be reimbursed for municipal taxes paid during the first four years of operation, on a decreasing scale from 75 per cent to 25 per cent (see table, page 33).

Considerable non-funded assistance was also provided under the agreement, consisting of advice, guidance, and referrals, with the department acting in general as a sounding board for new ideas.

NOTE: Information regarding the various subsidiary agreements previously negotiated by the Department of Development, that are being implemented by other departments, may be obtained from those departments.

## CANADA/NOVA SCOTIA SUBSIDIARY AGREEMENTS

| Current Subsidiary Agreement | Expiry Date | Fed./Prov. Cost-Sharing Ratio | Total Funding ($ Million) | Actual Expenditures to March 31/87 | Actual Expenditures, Year Ended March 31/88 | Total Expenditures, Year Ended March 31/88 | Funds Recovered to March 31/88 |
|---|---|---|---|---|---|---|---|
| Forest Resource Development* | March 31/89 | 53:47 | 91.4 | 18,997,708 | 10,674,865 | 29,672,573 | 1,509,243 |
| Economic Planning | March 31/89 | 50:50 | 4.0 | 696,199 | 709,933 | 1,406,132 | 694,075 |
| Canso II | March 31/89 | 70:30 | 28.0 | 5,254,507 | 5,550,039 | 10,804,546 | 7,563,183 |
| Mineral Development* | March 31/89 | 60:40 | 26.9 | 5,672,455 | 3,714,924 | 9,387,379 | 1,474,188 |
| Advanced Manufacturing Support | March 31/88 | 70:30 | 31.1 | 9,500,000 | — | 9,500,000 | 6,652,898 |
| Fisheries* | March 31/89 | 70:30 | 28.5 | 1,642,567 | 2,004,671 | 3,647,238 | 178,044 |
| Tourism II | March 31/89 | 70:30 | 28.0 | 942,930 | 2,188,818 | 3,131,748 | 2,157,204 |
| Technology Transfer | March 31/90 | 70:30 | 34.0 | 4,855,551 | 2,251,472 | 7,107,023 | 4,912,362 |
| Michelin* | Dec. 31/91 | 75:25 | 56.0 | 6,680,000 | 5,920,000 | 12,600,000 | — |
| Sydney Steel Corporation Stage II Modernization | March 31/90 | 70:30 | 157.1 | 3,546,525 | 24,752,086 | 28,298,611 | 19,809,027 |
| Tar Ponds | Nov. 30/91 | 70:30 | 34.2 | 35,043 | 1,028,536 | 1,063,579 | 744,505 |
| Agri-Food II* | June 30/93 | 50:50 | 60.0 | — | — | — | — |
| Ocean* | July 25/88 | 60:40 | 35.0 | 12,092,947 | 812,783 | 12,905,730 | 7,306,380 |

*A portion of the programs under this agreement were initiated entirely by the federal government, and these amounts are not reflected under expenditures and recoveries in this schedule.

## POLICY DEVELOPMENT BRANCH

The Policy Development Branch conducts research and provides analysis on a wide range of economic development concerns. The branch develops provincial positions and policies on major economic issues and acts as the principal focus of responsibility for the province's long-term development strategy.

## ECONOMIC ANALYSIS BRANCH

The Economic Analysis Branch assesses the economic performance and outlook of the province and provides effective analysis of industrial and economic opportunities and developments affecting the provincial economy. This service is also provided to the Department of Development, to the offices, agencies, and other departments of the provincial government, and in some cases to private industry.

### Economic Policy Analysis

As part of the policy formulation function, the Department of Development provided input on a number of possible initiatives including contracting-out of services and creation of cooperative community health centres. Staff provided support to a private sector advisory committee mandated to review assistance to business programs. Staff also maintained both an in-house computerized data base to support analytical work and the Nova Scotia Input-Output System.

The department participated in formulating Nova Scotia's position on the Canada/U.S. Free Trade Agreement and in preparing an economic impact study on tourism expenditures in Queens County.

Staff provided support, coordination, and briefing materials for meetings of federal and provincial ministers responsible for regional development. Staff participated on a Task Force on Regional Development Assessment, which released its report for ministers in November 1987. They also served on a federal/provincial task force (under the auspices of the Regional Development Ministers) looking at interprovincial trade barriers and investments, which subsequently led to negotiations by department staff on government procurement and liquor marketing practices.

With respect to the ongoing negotiation of a Canada–U.S. Free Trade Agreement, staff were involved, in particular, with analysing

procurement and regional development issues and the preparation of Nova Scotia background studies.

Guidelines were drafted to govern Nova Scotia's participation in the investor category of the federal Business Immigration Program. In addition, views were presented on the operations of programs to generate seed capital financing for businesses.

Studies were initiated, but not completed, evaluating labor quality in Nova Scotia, proposing an action plan for Nova Scotia in response to the National Task Force on Environment and Economy, and generating a technology strategy for the province.

**Special Studies**

Special studies undertaken in the past year included:

- a review of industrial parks policy in Nova Scotia
- an evaluation of the Industrial Mall Tax Rebate Program, which benefits tenants in incubator malls
- impact studies and cost-benefit analyses as part of project appraisals.

**Investment Canada Transactions**

Staff prepared an assessment of the compatibility of referred Investment Canada transactions, in relation to the province's economic objectives and industrial policies, together with a recommended response from the province.

## STATISTICAL SERVICES BRANCH

The Statistics Services Branch is designated under the Nova Scotia Statistics Act as the focal point for statistical services in the province and maintains or has access to numerous data bases.

Statistical inquiries came from business, government, and the general public, and responses were provided from a complete historical data base of all Statistics Canada publications (in hard copy or on microfiche). A series of census materials providing access to unpublished data was maintained, and terminal access to CANSIM, Statistics Canada's computerized data base, was also available.

Survey activities of the branch included information obtained for the *Directory of Manufacturers* (biannual) as well as the annual *Survey and Inventory of Commercial Space* in the Halifax Metro area.

Other publications produced by the branch included the *Nova Scotia Statistical Review* (annual), *Nova Scotia Construction Activity Report* (three per year), *Export Quarterly* (four per year and annual), and the monthly *Nova Scotia and Canada Indicators*.

## FINANCE AND ADMINISTRATION DIVISION

The Finance and Administration Division manages and controls the fiscal resources of the Department of Development and its agencies. The division is responsible for maintaining the effective utilization of personnel and for administering job creation initiatives. Finance and Administration staff examine the purchasing policies of all publicly supported bodies to ensure that the province obtains the maximum economic benefit in its procurement practices. The division also provides administrative support to the Resources Development Board, Venture Corporations Board, Voluntary Planning Board, Small Business Development Corporation, and to the Office of the Agent General in London. The division is comprised of the following five branches: Community Economic Development, Financial Services, Administrative Services, Management Services, and Human Resources.

The Executive Director represents the province as Co-Chairman of the Sydney Steel Modernization and Strait of Canso Subsidiary Agreement and acts as Controller of the Waterfront Development Corporation.

**Effective December 1987, the Finance and Administration Division no longer provides administrative support to the Resources Development Board, Venture Corporations Board, Voluntary Planning Board, and Small Business Development Corporation. These agencies, along with the Community Economic Development Branch, have become the responsibility of the Department of Small Business Development.**

## COMMUNITY ECONOMIC DEVELOPMENT BRANCH

The Community Economic Development Branch evolved as a result of the success of the former Employment Opportunities Branch and builds on the already existing branch. It began with established programs and patterns. The Community Economic Development Branch will contribute coherence and accessability as the community economic development process continues to develop in Nova Scotia.

The branch presently administers the following programs:

- Mainstreet
- Village Square
- Provincial Employment Program
- Program for the Disabled

- Springhill Miners Work Program
- Youth Entrepreneurial Skills Program
- Job Experience Training for Students
- Glace Bay Employment Program
- Pictou County Employment Program
- Challenge '87 Summer Employment/Experience Development
- Challenge '87 Work Orientation Workshop (W.O.W.)

and also is the co-chair with Canada Employment and Immigration Commission (CEIC) on the federal Community Futures Program in Nova Scotia.

**Mainstreet and Village Square Programs**

The Mainstreet Program was designed to refurbish, revitalize, and promote downtown commercial areas in communities throughout the province. Through this program the department, along with various municipalities and local business people, worked together to improve the physical, economic, and social environment of downtown areas.

The Village Square Program is designed to lend assistance and encouragement to hamlets, villages, and small incorporated towns in their efforts to bring new life to the commercial cores of their communities. Projects undertaken will be labor intensive and encourage groups to discuss, to plan, and to work together to effect positive change.

A total of 63 communities and 214 private firms (using storefront improvement grants) received assistance under this program. Also, 106 private firms obtained assistance for business rebates (retail development).

The annual Mainstreet Conference was held in Halifax in 1988. The theme, "A Decade of Success" (for economic redevelopment of downtown business cores), attracted about 200 delegates from across North America, representing retailers, government, and private developers.

**Provincial Employment Program**

The Provincial Employment Program was divided into three sectors--Public, Primary Resource, and Job Experience Training for Students (JETS). Through these sectors, short-term, meaningful employment opportunities were created through projects sponsored by provincial government departments, museums, provincial sport associations, tourism

associations, heritage societies, non-profit or volunteer community groups, industries in the primary resource sectors of agriculture, fisheries, forestry, mining, and tourism, as well as educational institutions and other private enterprises.

The Provincial Employment Program created 2,150 jobs, which were distributed by sector as follows:

| | |
|---|---|
| Public | 1,699 |
| Primary Resource | 339 |
| JETS | 112 |

The Department of Development also contributed 25 per cent of program costs to Challenge '87, which sponsored 980 career-related job opportunities for Nova Scotia students through municipal units, educational institutions, and hospitals. In addition, the department contributed 20 per cent of program costs to the Work Orientation Workshops (W.O.W.), which is a program directed toward the potential school leaver. This program employed 247 persons in 1987.

**Program for the Disabled**

The Department of Development created five jobs through the Program for the Disabled in 1987. This program is geared to stimulate permanent employment for disabled individuals by providing a wage subsidy to employers for a 25-week period.

**Springhill Miners' Employment Program**

The Springhill Miners' Work Program provides meaningful work opportunities to unemployed miners who were involved in the Springhill Mine disasters of 1956-58. In 1987, this program created 33 jobs.

**Youth Entrepreneurial Skills (YES) Program**

The Youth Entrepreneurial Skills (YES) Program offered interest-free loans to youth (16-24 inclusive) to plan and operate their own small businesses. A special student component assisted returning students. The program created 550 potential jobs in 1987-88.

**FINANCIAL SERVICES**

Financial Services controls program and project expenditures. This

branch also administers the Machinery and Equipment Tax Rebate Program for the Department of Development.

The computerized financial system continued to be upgraded enabling this branch to produce internal reports as well as those received from the Department of Finance.

During the past fiscal year, this branch processed 9,000 vouchers in payment of general operations with a budget totalling $11,610,000; program claims, $28,885,000; and federal/provincial projects, $59,608,000. Five hundred claims to the federal government, totalling $33,386,000, for their share of project costs were also processed.

The Machinery and Equipment Tax Rebate Program assisted primarily small businesses by rebating a portion of municipal taxes paid on machinery and equipment. One thousand claims were processed against a budget of $2,700,000.

For detailed program expenditures refer to the table on page 51.

## MANAGEMENT SERVICES

Management Services identifies and implements departmental operating policies, procedures, and systems. Additionally, it is responsible for the provision of Technical Support services, the Information Processing Centre (word processing) facility, and Library/Records Management services.

Management Services coordinated the identification and acquisition of new premises for the field office staff in New Glasgow, Sydney, Truro, and Yarmouth.

The branch was also responsible for all aspects of the implementation of the department's Long Range Systems Plan for computer acquisition.

### Technical Support Unit

The Technical Support Unit supplied the department with various technical services in the areas of conceptual and engineering drawings, planning concepts and construction design, internal and external signage, requisitions, and camera-ready art for department publications, advertisements, displays, and related graphic design work.

### Information Processing Centre

During the year, the Information Processing Centre produced a wide range of documents for use by department staff and for distribution.

### Library

The department's special library provides information to members of the department, members of government in general, and the public. It maintains a collection of approximately 8,000 books, 210 periodicals, and 1,500 annual reports.

The library has taken on the responsibility of implementing a records management program within the department. It is also utilizing computer technology for on-line searching and creating in-house data bases.

## SENIOR ANALYST

The Senior Analyst obtained information on government purchasing practices and prepared reports for presentation to various parties. The Senior Analyst was also appointed Chairman of the Farm Winery Policy with responsibility to ensure that the spirit and intent of the objectives of the policy are met.

## HUMAN RESOURCES

The Human Resources Branch develops and applies personnel policies and procedures. The branch is responsible for staffing, administration of the collective agreements, human resource training and development, and labor relations.

## AGENCIES

In 1987-88, the Department of Development administered three loan agencies: the Small Business Development Corporation, the Nova Scotia Resources Development Board, and the Venture Corporations Board.

**On April 1, 1988, the Resources Development Board and the Venture Corporations Board amalgamated with Industrial Estates Ltd. to form the Business Capital Corporation. The Small Business Development Corporation now reports to the Department of Small Business Development.**

## SMALL BUSINESS DEVELOPMENT CORPORATION

The Small Business Development Corporation promotes the economic well-being of the Province by providing small business with financial assistance and advice.

On March 31, 1988 the Small Business Development Corporation consisted of:

Chairman—Robert P. Dexter
Board Executive Committee:
Edward B. Chase
Harold W. Clarke
Robert P. Dexter
Ora P. Harkins
Stuart Hickey
The Honourable G. David Nantes
J. Patrick O'Neil
D. Roy Publicover
Wilma Stewart
Elaine Surrette

Regional Boards

*Cape Breton*

Chairman—Stuart Hickey
Frank Bettens
Sue Forrester
Jon Lawrence
Daniel Macaulay
Norman MacLean
Sharon Salter
John Terry

*Northeastern*

Chairman—D. Roy Publicover
Jack B. Boyd
Frank D. Elliott
Earl MacIntosh
Carol Mosher
Raymond A. Ross
Darrell M. Rushton
Ann Wren

*Valley*

Chairman—Edward B. Chase
Claude M. Cook
Brian W. Cummings
Robert L. Hall
Aileen Keddy
John Logan
Parker Regan
Freda Stephens

*Central*

Chairman—Ora P. Harkins
Cindy Jensen
Morton Kelly
Douglas Mullenger
Harald Norve
Vern Paul
Paul Scott

*Southwestern*

Chairperson—Elaine Surrette
Frank Anderson
Gloria Hutchinson
David Irvine
Paul LeBlanc
Horace MacPherson
Heather Venoitt
Rene Wearing

During the fiscal year ending March 31, 1988, the Corporation approved financing for 91 projects totalling $5,218,000. The anticipated jobs involved, both maintained and created, numbered close to 900.

The projects assisted were located in 16 counties of the province. Types of businesses assisted were as follows: manufacturing 31 per cent, services 52 per cent, and retail and wholesale trade 17 per cent (see statistics, as follows):

**SMALL BUSINESS DEVELOPMENT CORPORATION**
**STATISTICAL REVIEW**

**AUTHORIZATIONS**

| | 1987-1988 | |
|---|---|---|
| | **No.** | **Amount Authorized** |
| Loans | 79 | $4,708,000 |
| Guarantees | 12 | 510,000 |
| **Total** | **91** | **$5,218,000** |
| **By Industry Sector** | | |
| Manufacturing | 31% | $1,606,000 |
| Services | 52% | 2,726,500 |
| Retail & wholesale | 17% | 885,500 |
| **Total** | **100%** | **$5,218,000** |
| **Purpose** | | |
| Establish new business | 24% | $1,239,000 |
| Expand existing business | 75% | 3,925,000 |
| Other purposes | 1% | 54,000 |
| **Total** | **100%** | **$5,218,000** |

| Distribution $ | No. | % |
|---|---|---|
| 0 - 25,000 | 29 | 32 |
| 25,000 - 50,000 | 27 | 30 |
| 50,000 - 100,000 | 22 | 24 |
| 100,000 - 250,000 | 13 | 14 |
| **Total** | **91** | **100** |

**Note:** Further information is available in Small Business Development Corporation Annual Report.

## NOVA SCOTIA RESOURCES DEVELOPMENT BOARD

The Nova Scotia Resources Development Board is responsible for administering loans and other financial assistance provided under the Industrial Loan Act and the Industrial Development Act. The Board acts in an advisory capacity on all loans requiring approval by Order in Council.

The Nova Scotia Resources Development Board administers loans and other financial assistance provided under the Industrial Loan Act and the Industrial Development Act. The Board advised the Minister of Development regarding loans requiring Order-in-Council approval. On March 31, 1988, the portfolio administered by the board consisted of outstanding loans, guarantees, investments, advances, and other assets under administration for a total of $234,000,000.

The Board is composed of 10 members. No resignations of appointments occurred during the year.

Chairman—Dr. Joseph Zatzman, Dartmouth
Members—Gregory R. Baker, Dartmouth
Lawrence H. Coldwell, Port Williams
Percy Gaum, Sydney
Robert D. Inglis, C.A.,Sydney
Peter Johnston, Folly Mountain
Frank W. Nichols, Kentville
Keith O. Raymond, Digby
Christina Shaw, Halifax
Donald W. Tingley, Amherst

**General Activities**

Established in May, 1972, the Board completed its 16th year of operation in 1988. Six meetings were held during the year, at which a total of 71 matters were discussed as follows:

| | |
|---|---|
| Applications recommended | 10 |
| Applications rejected | 3 |
| Changes in ownership, repayment revisions, arrears, foreclosures, and other matters | 58 |
| | 71 |

**Tourism and Industrial Loans**

Under the Industrial Loan Act, the Board considered and recommended six loan applications, all of which were approved by the Governor in Council.

Under the Industrial Development Act, the Board considered and recommended one loan and three loan guarantee applications. The Governor in Council approved these applications, along with 18 other loan and guarantee applications for a total of 22 applications under the Act.

During the year no accounts were placed in receivership, however, deficiency write-offs were applied to six accounts. Twenty-two accounts were paid off, and changes were made in repayment schedules for six accounts.

The classification of loans and other assistance approved by the Governor in Council during the fiscal year 1987-88 under the Industrial Loan Act and the Industrial Development Act is described as follows:

## NOVA SCOTIA RESOURCES DEVELOPMENT BOARD
## TOURISM & INDUSTRIAL LOAN STATISTICS

### AUTHORIZATIONS

| | Year Ended March 31, 1987 | | Year Ended March 31, 1988 | |
|---|---|---|---|---|
| **Loans & Guarantees** | **No.** | **Amount** | **No.** | **Amount** |
| Industrial | 19 | $58,388,000 | 24 | $39,359,000 |
| Tourism | 6 | 700,000 | 6 | 3,689,000 |
| Other | — | — | 2 | 1,236,000 |
| | 25 | 59,088,000 | 32 | 44,284,000 |

### ACCOUNTS IN ARREARS

| | As at March 31, 1987 | | As at March 31, 1988 | |
|---|---|---|---|---|
| | **No.** | **Amount** | **No.** | **Amount** |
| **Principal Arrears Active Loans** | | | | |
| Industrial | 22 | $1,525,000 | 22 | $5,516,000 |
| Tourism | 15 | 719,000 | 18 | 1,389,000 |
| | 37 | 2,244,000 | 40 | 6,905,000 |
| **Percentage in Arrears Active Loans** | | | | |
| Industrial | 12.2% | 1% | 12.9% | 5% |
| Tourism | 12.8 | 4 | 15.9 | 8 |
| **Reserves for Doubtful Accounts** | | | | |
| Industrial | 42 | $38,967,224 | 45 | $49,803,894 |
| Tourism | 11 | 2,432,434 | 10 | 2,626,833 |
| Non-specific reserve | 3 | 4,848,865 | — | 5,179,911 |
| | 56 | 46,248,523 | 55 | 57,610,638 |

## PAYOUTS AND WRITE-OFFS

| | During Fiscal 1987 | | During Fiscal 1988 | |
|---|---|---|---|---|
| | No. | Amount | No. | Amount |
| **Loans Paid Off** | | | | |
| Industrial | 14 | | 17 | |
| Tourism | 12 | | 5 | |
| Other | 2 | | — | |
| | 28 | | 22 | |
| **Loans Written Off** | | | | |
| Industrial | 9 | $4,274,000 | 6 | $1,969,141 |
| Tourism | 1 | 2,000 | — | — |
| | 10 | 4,276,000 | 6 | 1,969,141 |

## VENTURE CORPORATIONS BOARD

The Venture Corporations Board encourages business to participate in providing risk capital and management assistance to small business in Nova Scotia. The main purpose of the Board is to register eligible Venture Capital Corporations, which in turn will seek out eligible small businesses for investment purposes.

The Venture Corporations Board at March 31, 1988 was composed of:

Chairman—J.R. "Pat" Ellis
Members—John B. Carter, C.A.
H.J. "Bert" Dickey
Robert B. MacLellan, Q.C.

During the past fiscal year, the Venture Corporations Board added nine new Venture Capital Corporations (VCCs) to its program, for a new total of 63 Venture Capital Corporations. The new equity injected into the eligible small businesses by the Venture Capital Corporations provided a substantial strengthening of the small business sector, which in turn secured long-term jobs in such industry sectors as manufacturing and processing, tourism, computer services, and aquaculture.

As at April 1, 1988, the Venture Capital program was amalgamated with the new Nova Scotia Business Capital Corporation.

## NOVA SCOTIA VENTURE CORPORATIONS BOARD

### STATISTICAL REVIEW

| | 1987-1988 |
|---|---|
| **Registered VCC's** | |
| Number | 9 |
| Registration fees | $ 1,800 |
| Special ruling fees | $ — |
| **Equity Loans** | |
| Number approved | 23 |
| Amount approved | $2,287,750 |
| Amount advanced | $2,925,250 |
| **Number of VCB Meetings** | 10 |

| | 1987-1988 | |
|---|---|---|
| **Type of Business** | **No.** | **Amount** |
| Manufacturing & processing | 11 | $ 925,000 |
| Tourism | 5 | 704,500 |
| Mineral exploration & development | — | — |
| Transportation | — | — |
| Research & development | — | — |
| Computer services & data transmission | 4 | 315,000 |
| Aquaculture | 2 | 280,000 |
| Printing & publishing | — | — |
| Farming | — | — |
| Other | 1 | 63,250 |
| **Total** | **23** | **$2,287,750** |

**As of April 1, 1988, Venture Capital Program amalgamated with the Nova Scotia Business Capital Corporation.**

### VOLUNTARY PLANNING BOARD

The Voluntary Planning Board provides a vehicle through which the private sector can voluntarily become involved in sustainable development and economic planning and can make direct representation to all levels of government.

The Voluntary Planning Board continued its ongoing consultative and advisory role with government during the year. Department of Development staff served as representatives to supply analytical support as requested.

Besides its regular meetings and activities, the Voluntary Planning Board and its sectors produced the following reports and recommendations:

- submission on the Community College System
- Taxation Sector brief to the Minister of Finance
- *A Perspective by Voluntary Planning on the Report of the National Task Force on Environment and Economy*
- preparation for 25-year anniversary and publication
- internal review: on-site analysis and 25-year renewal.

Voluntary Planning also established the following new sectors and special committees:

- Home Care Sector
- special committee on Free Trade
- special committee on Environment and Economy
- Voluntary Planning Board Nominating Committee.

Membership in Voluntary Planning stood at 569 people, filling seats on a variety of sectors, committees and sub-committees.

**Effective November 1987 the Small Business Development Corporation and the Voluntary Planning Board report to the Department of Small Business Development.**

## DEPARTMENT OF DEVELOPMENT
## PROGRAM EXPENDITURES TABLE

| Program Title | 1986-87 Actual $ | 1987-88 Estimate $ | 1987-88 Actual $ |
|---|---|---|---|
| Assistance to Industrial Commissions Program | $ 481,291 | $ 485,000 | $ 515,556 |
| Black Business Opportunity Program (BBOP) | 109,156 | 100,000 | 142,242 |
| Consulting Assistance Program (CAP) | 233,290 | 225,000 | 261,905 |
| Disabled Entrepreneurs Assistance Program (DEAP) | 62,056 | 50,000 | 153,085 |
| Expo '86 | 460,066 | — | — |
| Glace Bay Special Employment | 92,227 | 270,000 | 316,400 |
| Industrial Loan Program | 8,367,343 | 18,950,000 | 8,508,675 |
| Industrial Mall Municipal Tax Rebate Program | 14,001 | 20,000 | 24,979 |
| Machinery and Equipment Tax Rebate Program | 2,594,839 | 2,700,000 | 2,666,557 |
| Mainstreet Program | 3,051,604 | 3,085,000 | 2,986,307 |
| Management Development Program | 128,491 | 135,000 | 123,388 |
| Product Development Program (PDP) | 84,851 | 50,000 | 80,073 |
| Provincial Employment Program (PEP) | 5,385,830 | 5,000,000 | 4,932,710 |
| Rural Industry Program (RIP) | 813,382 | 1,000,000 | 1,296,258 |
| Small Business Loan Program | 4,962,834 | 5,000,000 | 4,491,071 |
| Trade Expansion Program (TEP) | 346,494 | 400,000 | 427,934 |
| Venture Capital Program | 2,621,333 | 2,969,000 | 2,075,250 |
| Women's Entrepreneurial Development Program (WEDP) | 48,593 | 50,000 | 74,910 |
| Youth Entrepreneurial Skills Program (YES) | 526,472 | 120,000 | 16,535 |